

INTERNATIONAL INDIAN SCHOOL, DAMMAM
SUBJECT: ACCOUNTANCY
Set A
Class XI TERMINAL EXAM II Nov 2017

Time: 3 Hrs.

MAXIMUM MARKS: 90

General instructions:

- (I) All questions are compulsory.
- (II) Marks for each question are indicated against it.
- (III) Draw proper format wherever necessary.
- (IV) Use of Calculator is not allowed.

Part A: Financial Accounting

- Q.1 What is the first step of Accounting Process? (1)
- Q.2 Which accounting principle requires that personal expenses of proprietor or partners should be debited to Drawings Account?(1)
- Q.3 Why do we enter transactions in a Journal rather than directly into ledger? (1)
- Q.4 Which account should be debited for creating provision for depreciation? (1).
- Q.5 Write down any three differences between Accrual Basis of Accounting and Cash Basis of Accounting ? (3)
- Q.6 Define Provision .What is the importance of creating a Provision?(3)
- Q.7 Prepare proper subsidiary book for the following transactions (3)**

2016	
15-Jun	Returned goods to Rahim for ₹ 2,000. Trade discount 10%. (Debit Note No.140)
20-Jun	Returned goods to Mohan for ₹ 5,000, as the goods were not according to sample. (Debit Note No.141)
25-Jun	Allowance claimed from Jaskuar, account of mistake in the invoice ₹500. (Debit Note No.145)

Q.8 Prepare proper subsidiary book for the following transactions (3)

2017	
6-Apr	Goods returned by LG LTD 2 table fans @₹600 each Less :Trade Discount 15%
12-Apr	Shyam Oils Mills returned defective goods valued ₹ 4000.
18-Apr	Allowance allowed to Leena on account of mistake in the invoice ₹250.

Q.9 Pass Journal Entries for the following: (4)

- (a) Bought goods from Mr. Messi for ₹20,000 at 10% trade discount, 2% cash discount. Paid 60% amount immediately.
- (b) Purchased an old machinery for ₹ 1,00,000 and spent ₹5,000 on its carriage and ₹20,000 on its immediate repairs.

Q.10 Record the following information in Cash book (4)

2017		₹
1-Jun	Cash in hand	2,800
2-Jun	Cash in bank	7,000
10-Jun	Discounted a bill of exchange at 1% through bank	5,000
15-Jun	Cash sale	6,000
18-Jun	Paid into Bank	3,000
25-Jun	Cheque received from Kumar is dishonoured.	2,000

Q.11 Mr Gaurav Kapoor started business of making useful instrument for differently abled persons. He maintains his books according to Double Entry System. Prepare the Trial Balance from the following information and also state one value. (4)

	AMT(₹)
Capital	2,50,000
Bills Payable	50,000
Opening Stock	75,000
Loan	1,50,000
Salaries	10,000
Bank	2,75,000
Debtors	1,00,000
Discount(cr)	5,000
Sales	50,000
Purchases	45,000

Q.12 Prepare Bank Reconciliation Statement of Vipul and Sons as on 31st December 2017 on the basis of the following information :(4)

- (i) Debit balance as per passbook as 31.12.2017 is ₹7,700.
- (ii) Cheques deposited but not collected by bank ₹2,600.
- (iii) Interest on Loan amounting to ₹554, directly debited by the bank did not appear in cashbook.
- (iv) Cheque issued before 31st December 2017 not yet presented for payment ₹3,500
- (v) ₹4,800 directly deposited by the customer entered in the Passbook but not in cashbook.

Q.13 Gagan is a local milk vendor in Alwar, Rajasthan, who collects milk from villages and supplies it to co-operative milk society .He wants to promote the habit of drinking milk among the school student and for this he spends ₹1,00,000 every year for its promotion .At the end of the year 2015,his trial balance did not agree and he puts the difference of ₹5,000 to debit of trial balance under suspense account .Thereafter his final accounts were prepared .

(i) **Where will you show suspense account in the financial statements?**

(ii) **State any values followed by Gagan.(4)**

Q.14 Rectify the following accounting errors through Suspense Account by making Journal entries. (6)

- (i) Purchase of goods from Mohit for ₹2,500 was entered in the Sales Book, however Mohit's Account was correctly credited.
- (ii) Cash received from Anil a debtor ₹3,200 was correctly entered in the Cashbook but was omitted to be posted to his account.
- (iii) Sales Book was overcast by ₹1,500.
- (iv) Cash of ₹4,000 paid to Hanif was credited to Rafique A/c as ₹1,400.
- (v) The total of Purchase Returns Book of ₹3,150 was carried forward as ₹1,530.
- (vi) Namita was paid cash ₹6,500 but Sumita was debited by ₹6,000.

Q.15 Explain the following terms :(6)

- (i) Revenue (ii) Debtors (iii)Tangible Assets (iv)Entity (v)Trade Receivable (vi)Gain.

Q.16 Explain the following concepts: (6)

- (i)Matching concept (ii) Consistency Concept (iii) Going concern Concept.

Q.17 On 1st April 2011, X Ltd, purchased a plant for ₹5,00,000 .On 1st July 2013 ,a part of plant purchased for ₹70,000 on 1st April 2011 was sold for ₹40,000 and a fresh plant was purchased for ₹1,00,000.Depreciation is provided @20 % p.a.on reducing balance method and books of accounts are closed on 31st December each year.

Prepare Plant A/c, Provision for Depreciation A/c and Plant Disposal A/c.(8)

Or

Q.17On January 1, 2012 X Ltd .purchased a machinery by Cheque for ₹12,00,000 .On July 1st ,2014 a part of the machinery purchased on January 1,2012 for ₹80,000 was sold for ₹45,000 and new machinery at a cost of ₹1,58,000 was purchased and installed on the same date .The the company has adopted the method of providing 10 % p.a depreciation on the original cost of machinery and the books of account are closed on 31st December each year.

Prepare Machinery A/c, Depreciation A/c ,Provision of Depreciation A/c and Machinery Disposal A/c. (8)

Part B: Financial Accounting

Q.18 State one point of difference between Capital Expenditure and Revenue Expenditure. (1)

Q.19 Define Management information System (1)

Q.20 Discuss the various Accounting softwares used in Business . (3)

Q.21 Distinguish between Computerised Accounting Process and Manual Accounting Process.(3)

Q.22 Explain the advantages of Computerised Accounting System (6)

Q.23 From the following information Prepare Profit & loss A/c and find out Operating profit(6)

	₹		₹
Gross profit	44,000	Interest on loan	2,200
Carriage Outward	480	Interest on Investment	280
Advertising	1200	Printing and Stationery	360
Salaries	17,800	Loss on Sale of Furniture	3,500
Rent & Taxes	6,200	General Expenses	140
Lighting	1,500	Donation	510
Insurance	240	Rent Received	600
Bad Debts	150	Loss by fire	2,000
Audit fees	200	Gain on sale of machine	5,000

Q.24 From the following Trial Balance of Mustafa & Co., Prepare Trading and Profit and Loss A/c for the year ending on 31st Dec 2013 and Balance Sheet as on that date.

Trial Balance as on 31st Dec 2013

	Dr. Balance (₹)		Cr. Balance (₹)
Land and Building	60,000	Capital	1,50,000
Plant and Machinery	40,000	Sundry Creditors	30,000
Bill Receivables	8,000	Sales	1,20,000
Stock on 1.1.2013	40,000	Reserve for Bad Debts and Doubtful debts	4,500
Purchases	51,000	Loan (12% p.a)	10,000
Wages	20,000	Commission Received	2,000
Coal, Gas & Coke	5,800		
Salaries	5,000		
Rent	2,800		
Cash at Bank	25,000		
Sundry Debtors	45,000		
Repairs	1,800		
Bad debts	5,500		
Sales Returns	2,000		
Furniture and Fixture	4,000		
Interest on Loan	600		
	3,16,500		3,16,500

Adjustments

- (i) Closing Stock was Valued at ₹30,000.
- (ii) Depreciate Plant & Machinery @ 5% and Furniture and Fixture @ 10 %.
- (iii) Provide for Bad and Doubtful Debts @ 5%.
- (iv) Outstanding Wages ₹1000, Rent ₹500 and interest on Loan outstanding ₹600.
- (v) Commission accrued ₹1000. (8)

Or

Q.24 Make the necessary Adjustment entries as on 31st April 2017 from the following adjustments. (8)

- (i) Closing stock was Valued at ₹1,00,000.
- (ii) Outstanding salaries ₹45,000.
- (ii) Prepaid Rent ₹30,000.
- (iv) Commision Received in Advance ₹4,000. (v) Bad Debts Recovered ₹200.
- (vi) Goods withdrawn for personal use by the owner of business ₹5,000
- (vii) Loss by fire ₹10,000 and
- (viii) Goods distributed as Free samples ₹8000.
